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IN THE

Supreme Court of the United States

October Term, 1947

No. .....

ERD V. CROWELL,

Petitioner,

vs.

BAKER OIL TOOLS, INC., a corporation,

Respondent.

Petition for Writ of Certiorari to the United States Circuit Court of Appeals for the Ninth Circuit.

To the Honorable, the Supreme Court of the United States:

Petitioner, Erd V. Crowell, represents that—

Summary and Short Statement Of the Matter Involved.

I.

On May 20, 1942, Baker Oil Tools, Inc., respondent herein, as plaintiff, filed suit for declaratory relief under Title 28, §400 of the United States Code in the District Court for the Central Division of the Southern District of California, said suit being Civil Action No. 2243-B, and in the complaint of said action alleged as grounds therefor that defendant therein (petitioner here) owns certain United States Letters Patent on Oil Well Cementing Means and Methods, and had threatened said plaintiff Baker Oil Tools, Inc., with suit for infringement.

II.

In answer to the complaint mentioned in the immediately foregoing paragraph hereof, said defendant Crowell took issue on all grounds alleged for declaratory relief and filed a counterclaim for infringement of said Letters Patent, said patents being No. 2,168,735, granted August 8, 1939, to Gilstrap and Baurmann, of which said plaintiff Crowell was the owner, patent No. 2,177,172, granted October 24, 1939, and patent No. 2,223,442, granted December 3, 1940, the last two patents being granted to said Erd V. Crowell and owned by him.

III.

After preliminary proceedings not necessary here in this short, summary statement to be amplified, the said cause 2243-B came on for trial on plaintiff, Baker Oil Tools, Inc.'s complaint and defendant Crowell's counterclaim of infringement, before the Honorable Campbell E. Beaumont, Judge of said District Court for the Southern District of California, who, at the conclusion of the trial rendered an oral opinion which was filed January 13, 1945, and findings and conclusions [Tr. 30] and judgment [Tr. 27] duly filed and entered September 27, 1944, finding all the claims in suit (not all the claims in the patents sued on) to be not infringed, and said claims in suit to be invalid.

IV.

Thereafter in due time said defendant Erd V. Crowell (petitioner herein) appealed to the United States Circuit Court of Appeals for the Ninth Circuit from said last-mentioned judgment, which, after due proceedings, was numbered in the Circuit Court of Appeals No. 10,997, and after briefs duly filed and hearing in said Circuit

Court of Appeals for the Ninth Circuit at Los Angeles, the said judgment of the District Court appealed from was affirmed, and said patents in suit and the claims charged to be infringed were found invalid and not infringed. Said Circuit Court of Appeals' opinion is dated February 28, 1946, and is reported at 68 U. S. P. Q. 385 and 153 F. (2d) 972.

V.

The District Court's jurisdiction of said declaratory relief prayed in said action 2243-B was based upon the Federal Declaratory Judgments Act, Title 28, §400, United States Code, and said court's jurisdiction of the counter-claim of Crowell was based upon the Patent Laws of the United States, and specifically upon Title 28, §41, subdivision (7) of the United States Code—which jurisdiction has never been questioned by either party, and was relied upon in said appeal 10,997 and in said decision of the Circuit Court of Appeals for the Ninth Circuit in the decision mentioned in the immediately preceding paragraph hereof.

VI.

On December 28, 1946, said Erd V. Crowell, petitioner herein, filed in the Wichita Falls Division of the Northern District of Texas his complaint [Tr. 10] against said Baker Oil Tools, Inc. (respondent herein), which action was numbered Civil Action No. 394. Such action was thereafter transferred to the Dallas Division of the Northern District of Texas by stipulation of the parties, and re-numbered as Civil Action No. 2442 in said Dallas Division. In such complaint many of the same claims involved in the prior California litigation, appeal No. 10,997, Ninth Circuit, were involved, but some of said

claims were not sued on in said Texas suit, and other claims not in issue in the California litigation were added as charged to be infringed.

VII.

The said infringement charged in said Texas suit was of course infringement other than charged in said California litigation, as every act of making, every act of selling, and every act of using, separately, under elementary law (as shown more fully in the attached brief) constitutes infringement—and none of such acts complained of in the Texas suit had been committed at the time of final judgment in the California litigation above referred to.

VIII.

We need not trace the course of said Texas suit, as it is not presently material. A little over a month later, namely January 1, 1947, after filing said Texas suit, said Baker Oil Tools, Inc., filed in the District Court for the Central Division of the Southern District of California, an action against the said Erd V. Crowell as defendant, purportedly for declaratory relief, which was numbered in said court 6368-B [Tr. 20], requesting, among other things, that said Erd V. Crowell be restrained from further prosecution of said Texas suit. (Said Erd V. Crowell has heretofore filed his records, petition for certiorari, and brief, to the Fifth Circuit. We shall suggest that both petitions (Fifth and Ninth) be considered by this court at the same time.)

IX.

On March 27, 1947, said Erd V. Crowell filed in the original suit, judgment in which was affirmed by said Circuit Court of Appeals of the Ninth Circuit, as set forth

in paragraph IV of this petition, his motion "to construe or, alternately, to correct, revise or vacate in whole or in part the permanent injunction of said District Court entered September 27, 1944, and the injunction writ issued in pursuance thereof."

Crowell also, in said motion, requested the District Court for a ruling as to whether he had violated said injunction by bringing and maintaining said Texas suit. Such violation was alleged in the complaint in said suit, 6368-B [Tr. 20], and denied in said Crowell's answer thereto.

X.

Said Baker Oil Tools, Inc., joined us in asserting that said injunction in action 2243-B needed interpretation and revision, serving and filing a motion on behalf of Baker Oil Tools, Inc., to amend and revise said injunction in said suit 2243-B.

XI.

Thereafter, on April 16, 1947, both of said motions referred to in immediately preceding paragraphs hereof were argued orally before Judge Beaumont, and while the District Court in its oral opinion did not dismiss said Civil Action No. 6368-B, it declined to enjoin Crowell from proceeding with the Texas suit 2442, but immediately thereafter opposing counsel, Oscar A. Mellin, representing said Baker Oil Tools, Inc., voluntarily dismissed said suit 6368-B without prejudice; and said District Court at Los Angeles entered the Order [Tr. 62] dated and docketed April 25, 1947, in Civil Order Book 42, page 796, and which was filed on the same day.

XII.

As hereinabove stated, the said Erd V. Crowell filed said suit against Baker Oil Tools, Inc., in the Wichita Falls Division of the Northern District of Texas. By stipulation of the parties thereto, said action was transferred to the Dallas Division of the Northern District of Texas. Thereafter opposing counsel repeatedly stipulated for additional time to answer Crowell's complaint, filed interrogatories, answered interrogatories on behalf of said Crowell. The case was set for trial, and shortly before trial counsel for Baker Oil Tools, Inc., presented a motion to dismiss said cause on the ground of *res judicata*, basing said motion on prior proceedings in the California courts, finding the patents in suit invalid and non-infringed—such finding, however, being only as to certain claims, some of which were sued on again in the Texas suit, and others involved in the California litigation were not charged to be infringed, and such claims not charged to be infringed were expressly refused to be passed upon by the California court because not in issue in said action 2243-B, as will appear from the opinion of said court of appeals for the Ninth Circuit, 153 F. (2d) 972 (in our attached brief commented upon).

XIII.

Said motion to dismiss on behalf of said Baker was filed April 15, 1947. Said motion was heard orally by the Judge of the District Court for the Northern District of Texas on April 24, 1947, and was granted by the court, a summary judgment of dismissal being entered.

XIV.

On June 10, 1943, said Erd V. Crowell filed his notice of appeal [Tr. 41] from said summary judgment of

dismissal (entered April 24, 1943, by said District Court at Dallas) on the ground of *res judicata*, and immediately thereafter, in due and proper form, a transcript of the record was prepared, filed in the Clerk's office of the Circuit Court of Appeals for the Fifth Circuit, briefs of both parties in due time were filed, and on November 19, 1947, the appeal was argued orally before said Circuit Court of Appeals for the Fifth Circuit and submitted for decision. On December 4, 1947, the Circuit Court of Appeals for the Fifth Circuit rendered its decision, affirming the summary dismissal of said cause on the ground of *res judicata* by the District Court.

XV.

On December 23, 1947, before mandate was filed, opposing counsel for said Baker Oil Tools, Inc., filed a motion in the District Court of Dallas for the allowance of ten thousand dollars attorneys' fees to the said Baker Oil Tools, Inc., which motion was heard by Judge Atwell at Dallas on January 5, 1948, who awarded to said movement the sum of one thousand dollars attorneys' fees, and on January 6, 1948, the mandate of the Circuit Court of Appeals for the Fifth Circuit was issued to the Clerk of said District Court, and thereafter filed and entered in said District Court.

XVI.

The order appealed from [Tr. 62] construing and revising the original judgment entered in said Civil Action No. 2243-B was entered April 25, 1947 [Tr. 62] and was appealed from [notice of appeal, Tr. 63] and after

due proceeding had on said appeal, the matter was argued orally before said Circuit Court of Appeals for the Ninth Circuit [Tr. 85] and was submitted for decision. On January 9, 1948, the Circuit Court of Appeals for the Ninth Circuit filed its opinion [Tr. 86] affirming the order of April 25, 1947, of District Judge Beaumont, and also filed and entered its decree on said January 9, 1948 [Tr. 87] affirming said judgment of the District Court.

XVII.

Statement Particularly Disclosing the Basis Upon Which It Is Contended the Supreme Court Has Jurisdiction to Review the Judgment Referred to, Namely the Judgment and Its Affirmance in Civil Action 2243-B, Appeal No. 11645, Ninth Circuit.

We believe sufficient basis for the court's granting this petition is found in paragraph (b), subdivision (5) of Rule 38 of this court, contending that the Circuit Court of Appeals for the Ninth Circuit and the District Court for the Central Division of the Southern District of California have each decided important questions of federal law in conflict with applicable decisions of this court, and has so far departed from the accepted and usual course of judicial proceedings, and that said Circuit Court of Appeals has so far ignored a departure by the trial court, as to call for an exercise of this court's power of supervision, all of which is fully explained and decisions cited and discussed in the brief on behalf of Petitioner filed herewith.

XVIII.

The Questions Presented; Still Complying With Rule 38, Subdivision 2.

(1) Was it proper for the Circuit Court of Appeals for the Ninth Circuit to affirm the order of the District Court entered April 25, 1947?

(2) Calling the court's attention particularly to the last long paragraph of said order of April 25, 1947, were the following sections of the decision of the court proper?

(A) In view of the obvious fact that the names of infringing devices are relied upon in said court's order of April 25, 1947 [Tr. 62] and that such names could be used if Crowell should find that any claims never in issue in any court had been infringed, was it consistent with law that Crowell should be restrained in the following language of said order [Tr. 62] of April 25, 1947:

> "* * * we perpetually, strictly enjoin and restrain you the said Erd V. Crowell, your associates, partners, attorneys, clerks, servants, agents, employees and confederates, and each of them, from threatening or instituting suits for infringement in this or any other Court and without territorial limitation against Plaintiff, Baker Oil Tools, Inc., or any of Baker Oil Tools, Inc. customers, or dealers, or any present or prospective sellers, dealers, or users of Baker Oil Tools, Inc. devices and equipment heretofore sold under the trade names Baker Series Cementing Equipment, Baker Model K. Cement Retainer, Baker Model F Cement Retainer, Baker Multiplex Cementing Equipment, charging said Baker Oil Tools, Inc. * * *."

The foregoing is fully commented upon and explained in our brief.

(B) Was it proper in said affirmed order of April 25, 1947 [Tr. 62], regardless of the fact that the claims sued on were passed upon in any prior proceedings, to restrain threatening with suit, giving notice of suit (necessary to lay the basis of a suit) "without territorial limitation against customers, or dealers, or users, both present and prospective, with infringement of Letters Patent of the United States Nos. 2,168,735, 2,177, 172 and 2,223,442, because of the sale or offering for sale or using Baker Series Cementing Equipment, Baker Model K. Cement Retainer, Baker Model F Cement Retainer, Baker Multiplex Cementing Equipment"?

In this action note that said customers or dealers or users by selling or using were guilty of separate and distinct acts of infringement never involved in any prior litigation.

(C) Was it proper in said injunction order of April 25, 1947 [Tr. 62] and its affirmance as hereinbefore stated on appeal, not to distinguish between claims in issue in prior litigation and not to disinguish between those (customers, dealers or users) who had committed or who might later commit acts of infringement?

(D) Was it consistent with the injunction as modified by said order of April 25, 1947 [Tr. 62] to except the Texas suit?

The Reasons for the Allowance of Writ of Certiorari, Rule 38, Subdivision 2.

(1) The entry of said order of April 25, 1947 [Tr. 62] and its modification of the judgment in said suit 2243-B, and its affirmance in appeal No. 11,645 of the Circuit Court of Appeals for the Ninth Circuit, ignores, disregards and is contrary to an established practice of the Supreme Court of the United States for the past fifty-seven years (as explained in our accompanying brief).

(2) It seems to be implied in said decision and its affirmance that there was some principle of *res judicata* involved. As we show in our accompanying brief, there are no grounds for any application of the principle of *res judicata.*

(3) The decisions mentioned in the Circuit Court of Appeals' opinion [Tr. 86] do not sustain the decision (as will be shown in our accompanying brief).

Wherefore, petitioner prays that a writ of certiorari be directed to the Circuit Court of Appeals for the Ninth Circuit, and that this court review and correct the erroneous decisions heretofore recited.

Respectfully submitted,

ERD V. CROWELL,
Petitioner,

By EMORY L. GROFF,
His Attorney.

IN THE

Supreme Court of the United States

October Term, 1947

No.....

ERD V. CROWELL,

Petitioner,

vs.

BAKER OIL TOOLS, INC., a corporation,

Respondent.

Brief of Petitioner, Erd V. Crowell, in Support of His Petition for Certiorari to the Circuit Court of Appeals for the Ninth Circuit.

In the foregoing petition we have repeated much of the proceedings in the Texas District Court and on appeal to the Fifth Circuit. These are set forth in our "Summary Statement of Matters Involved," paragraphs I through XVI. We have added paragraph XVI, the latter relating particularly to the order appealed from [Tr. 62] in the Ninth Circuit, believing that we have sufficiently set forth the pertinent circumstances, and will later repeat or amplify such circumstances as occasion arises in our following brief.

This Court Has Jurisdiction to Review on Certiorari, the Order of the District Court, Central Division of the Southern District of California, and That of the Circuit Court of Appeals for the Ninth Circuit.

In paragraph XVII of our petition we cited paragraph (b), subdivision 5, of Rule 38 of this court, alleging that said Circuit Court of Appeals for the Ninth Circuit and said District Court for the Central Division of the Southern District of California have each decided important questions of federal law in conflict with applicable decisions of this court, and have so far departed from the accepted and usual course of judicial proceedings, and said Circuit Court of Appeals has so far ignored a departure by the trial court as to call for exercise of this court's power of supervision. We now cite and consider authorities in support of said statements:

We contend that nothing that happened in the Crowell litigation as shown by the decision of the Circuit Court of Appeals for the Ninth Circuit, reported 153 F. (2d) 972, findings and conclusions, Exhibit 2 [Tr. 30], judgment [Tr. 27], or Exhibit 1, injunction of the California District Court [Tr. 40], to sustain application of the doctrine of *res judicata* under any decisions of this court.

When we say that there is no law to support the summary judgment appealed from, we mean that for fifty-six years—since 1891—the Supreme Court of the United States has specially provided by rule for solving conflicts between United States courts of different jurisdictions as to validity and infringement of Letters Patent by recognizing the propriety of such suits and, in fact, in the interests of uniformity of decisions, inviting such suits; and never during such period of fifty-six years has the

Supreme Court refused to take any such case on certiorari and to decide on the merits as to validity and infringement of Letters Patent.

If the present judgment appealed from be sustained by this court, and such decision approved by the Supreme Court on certiorari, this will end all possibility of certiorari proceedings in patent suits and overrule or reverse all decisions of the United States Supreme Court in such proceedings for the past fifty-six years.

In the textbook entitled "Jurisdiction of the Supreme Court of the United States," published in 1936 by Robertson and Kirkham, at §112, the authors say:

> "By far the greatest number of cases considered by the Supreme Court are those coming by certiorari to the Court of Appeals. This jurisdiction is conferred and delimited by §240a, of the Judicial Code, 28 U. S. C., 347."

In Chapter 35, §292 of said textbook (Robertson & Kirkham), appears the following (our italics):

> "Where the decision of the Circuit Court of Appeals sought to be reviewed by certiorari directly conflicts on a question of federal law with the decision of another Circuit Court of Appeals upon the *same question* the Supreme Court grants certiorari as of course and irrespective of the importance of the question of law involved. The importance in such cases lies in the preservation of uniformity of decisions in the Federal Courts upon points solvable by Federal law * * * a basic purpose of certiorari jurisdiction since its inception in 1891."

At §324, page 664 of the same textbook, after eliminating "ordinary patent cases" and stating that they will not

be reviewed save in most exceptional circumstances, "in the absence of conflict of decisions between different Circuit Court of Appeals as to the validity of particular claims or as to infringement by the same or a substantially indistinguishable device," the authors, at page 664, say:

> "In addition, in the usual course of litigation of ordinary issues of patent validity and infringement, the opportunity exists and is exercised of having suits involving the same or substantially the same issues brought and determined in several circuits" (citing *Triplett v. Lowell,* 297 U. S. 638, and continuing):
>
> "Error in the appreciation of facts will ultimately show in conflicting decisions."

The authors of the textbook last mentioned state that the book contains only decisions relating to certiorari under circumstances here under consideration from 1931 to January, 1936.

Specific Cases of the Supreme Court Recognizing the Right to Institute Suits in Other Jurisdictions on the Same Issues Previously Decided.

Walker on Patents (Deller's Edition), §608, beginning last paragraph, page 1906, says (our italics):

> "The points of law actually decided by the Circuit Court of Appeals of any Circuit are binding upon all the District Courts in that circuit [Edison Electric Co. v. Bloomingdale, 65 Fed. 212, 214, C. C., N. Y. (1894); Thomson-Houston Electric Co. v. Mahar, 112 Fed. 534, C. C., N. Y. (1898)]; *but not on any court in any other circuit.* [See Edison Electric Co. v. Bloomingdale, 65 Fed. 212, 214, C. C., N. Y. (1894).] And the points of law actually decided by any judge, holding any United States Dis-

> trict Court, are followed by every other judge holding any United States District Court, unless they have been reversed by a Circuit Court of Appeals, or by the Supreme Court, or are contrary to other decisions of equal or superior dignity, *or appear to be erroneous.*" (Citing half a page of cases.)

We emphasize that the decision of the Circuit Court of Appeals of any circuit is not binding on any court in any other circuit; also, that even points of law can be repudiated in other litigation in another circuit if they "appear to be erroneous."

Of course the District Court of Dallas or any other District Court cannot determine whether the decision of the Circuit Court of Appeals for the Ninth Circuit "appears to be erroneous" until it hears the evidence in this case; and remember also that if it appears that any fact assumed without evidence by the Circuit Court of Appeals is *mistaken,* as we expect to show in several most vital respects by official, clear and uncontrovertible records of the Patent Office, any law applicable to such erroneously assumed fact or facts would have no support.

In Walker on Patents (Deller's Edition), Vol. 3, §609, bottom of page 1908, the author discusses the importance of uniformity of decisions, except, as he states, where a different decision is "required by a different state of evidence," citing *Barnes Sprinkler Co. v. Walworth Mfg. Co.*, 51 Fed. 88, 89. In the same section (609) of Walker, near the top of page 1909, the author says:

> "Still it is the duty of every court to decide cases 'right'; and to that end every judge is bound to decide his cases 'according to his own convictions' rather than according to the convictions of any other judge

of any coordinate tribunal [Lowell v. Triplett, 77 F. (2d) 556, 561-574, C. C. A. 4 (1935), aff'd 297 U. S. 638, 642-4, 80 L. Ed. 949 (1936)] * * *."

Walker on Patents (Deller's Edition), page 1908, §609, says (our italics):

> "It sometimes occurs that the evidence in a number of cases, pending in a number of District Courts, is *substantially the same.* Where one such case has been carefully argued and deliberately decided in a District Court, all the other District Courts are apt to follow that decision [Hammerschlag Mfg. Co. v. Bancroft, 32 Fed. 585, C. C., Ill. (1880); Hammerschlag Mfg. Co. v. Spaulding, 35 Fed. 67, C. C., Mass. (1888); Pratt v. Wright, 65 Fed. 99, C. C., N. Y. (1890); Cutler-Hammer Co. v. Hammer, 124 Fed. 222, C. C., Ill. (1903)] *except where a different decision is required by a different state of evidence.* [Barnes Sprinkler Co. v. Walworth Mfg. Co., 51 Fed. 88, 89, C. C., Ill. (1892).]"

Cases in Different Jurisdictions Need Not Be Between Different Parties.

In the argument on behalf of Baker Oil Tools, defendant in this case, before the California court, which we have heretofore mentioned, counsel took the position and repeatedly affirmed that the Supreme Court only considered certiorari when the suits in the different jurisdictions were between *different* parties, suggesting that this precludes them from application of the doctrine of *res judicata* and implying that if they had been between the same parties such doctrine would have some application. Here again let us remind that there is no case whatsoever cited by counsel where the Supreme Court held that to be re-

viewable on certiorari conflicts of different circuits as to validity and infringement of Letters Patent had to be between different parties.

There can be no doubt that a very large proportion of conflicting decisions of the circuits taken on certiorari were between different parties, such as between the patent owner and the manufacturer of the infringing device in one circuit, and the patent owner or perhaps a distributor or user in another circuit—each of the separate acts of making, selling and using being, under elementary law, separate acts of infringement.

There are very few manufacturers who distribute under their own names and through their own organizations to users outside the locality of their manufacturing operations. A very large portion of them necessarily must distribute to users through dealers in other jurisdictions. This accounts for the large proportion of such suits where there are different parties.

The present case is extraordinary in that defendant is such a large organization that it happens to have a branch under its own name in Texas, from which it distributes. However, it also has dealers, sellers and users in Texas, and even the use by a purchaser of the infringing apparatus could be sued on apart from the manufacturer.

It is obvious that if we had selected a dealer or a distributor as defendant for the suit in Texas, Baker Oil Tools, Inc., the manufacturer, would have been compelled to take over the defense of such suit, as such dealer or user would not have sufficient interest in the case to defend it at its own expense. Such suit against the dealer or user would, therefore, have not been of any advantage or benefit to Baker Oil Tools, Inc.—its necessity as *real party in interest* to defend would have been the same.

But counsel is mistaken in several instances in assuming that all the cases on certiorari arose or grew out of suits against different parties.

As we shall later make clear, each or any of the acts of making, selling or using constitutes infringement. A lady purchases a package of patented hair pins for ten cents, which purchase is not an infringement, although the selling is an infringement. Immediately thereafter she opens the package and uses one of the hair pins. The lady is sued for the infringement of use. Now, of course, she would not expend the time or money for defending any such suit, but would undoubtedly notify the department store where she purchased the hair pins, who would notify the manufacturer, with the result that, in order to prevent a default decree, the manufacturer, being the *real party in interest,* would have to defend.

We are insisting that after suit in one district against a manufacturer, a second suit in another jurisdiction need not be against a seller or user. It may be against the same party for other and additional infringements not passed upon in the first decision. Opposing counsel has taken the position that the second suit, despite the vital question of actual interest, had to be between different parties.

For instance, counsel cited in the recent argument before Judge Beaumont of Los Angeles the case of *Sanitary Refrigerator Company v. Winters,* 280 U. S. 30, as involving different parties. In this, counsel is mistaken. There were two suits in equity in the litigation last referred to, charging infringement of Letters Patent on door latches. The first was in the District Court for the Eastern District of Wisconsin by grantees of the patent sued on against the Sanitary Refrigerator Company, but

as Dent Hardware Company manufactured and sold the door latches to the Refrigerator Company, the Dent Company, although not a party to the suit, employed counsel and conducted the defense of the Refrigerator Company at its own expense, thus becoming party.

The second suit was brought by the same plaintiff as the first suit directly against the manufacturer of the latches, Dent Hardware Company. Therefore, in effect, both proceedings were by the same plaintiff against the Dent Hardware Company, manufacturer.

Again counsel was mistaken in referring to *Wine Railway Appliance Company v. Enterprise Railway Equipment Company*, 297 U. S. 387, stating that this case involved no conflict between the same parties. Mr. Justice McReynolds delivered the opinion of the court:

> "In 1922, respondent, Equipment Company, sued the petitioner for infringing certain patents. April 25, 1923, petitioner, Appliance Company, by counterclaim, charged that respondent had infringed its patents and asked for damages. The District Court dismissed both bill and counter-claim. The Circuit Court of Appeals held one of petitioner's patents valid and infringed and remanded the cause for an accounting."

The foregoing is sufficient to show that this suit was between the same parties, the Equipment Company and the Appliance Company, charging each other with infringement of different patents. Although the parties were the same, the Supreme Court took the case on certiorari; so that counsel's statement that different parties must be involved is shown to be untrue.

The case of *Lincoln Engineering Company v. Stewart-Warner Corporation,* 302 U. S. 682, 58 Sup. Ct. 410, decided March 28, 1938, is another case where the same parties were involved. This was taken by the Supreme Court on certiorari to the Circuit Court of Appeals for the Seventh Circuit. Mr. Justice Roberts, speaking for the Supreme Court, said:

> "The district court [15 F. Supp. 571; 30 U. S. P. Q. 343; 16 F. Supp. 778; 31 U. S. P. Q. 171, 195; 91 F. (2d) 757; 43 U. S. P. Q. 92] has held the Petitioner guilty of contributory infringement of the Butler patent. * * * We granted certiorari because of an alleged conflict with our decision in Rogers v. Alemite Corporation, reported 292 U. S. 415; 29 U. S. P. Q. 311."

Here the same parties were involved in the infringement litigation of the Butler patent, and not different parties, and the Supreme Court did not require a suit in another jurisdiction, reaching a different conclusion, to take the case on certiorari, but reached out to a prior decision between other parties and other subject-matter which was in conflict to sustain its jurisdiction on certiorari. This is shown clearly in a statement in 34 U. S. P. Q. 92, where the Circuit Court of Appeals said, "Appellee is owner of the Butler patent; Appellant is the distributor of the Lincoln Engineering Company of St. Louis, Missouri * * *." Here the parties were nominally the same, as the manufacturer conducted the defense as the manufacturer would have to do in the Texas suit if we join distributor or user to the manufacturer as a party.

The General Law of Res Judicata Does Not Apply in the Instant Case.

A reference to the decision of said Ninth Circuit Court of Appeals on appeal of 2243-B, Appeal No. 10,997 (153 F. (2d) 972), will show that Crowell lost the appeal because he did not prove *title* to the claims in suit. There was hardly a quibble that the claims in suit *did* read in letter and spirit on the devices charged to infringe. They did so read. There can be no doubt that the court found the claims not infringed because, Crowell not having title, *there could be no infringement.*

In the next to the last paragraph of said decision (153 F. (2d) 972) the court said:

> "The finding of the trial court that the patent claims of the patents in suit were not infringed we find it unnecessary to disturb, because we sustain the findings and conclusion of invalidity; which means that there are no patents to infringe in the manner complained of. We, of course, refer only to the claims in dispute."

There was no reason why either the District Court or the Court of Appeals should have passed upon infringement of the claims after finding them without validity.

We have stated that the general law of *res judicata*, regardless of any exception which we have shown to have been made in prior decisions of this court in patent cases, is not in any respect or on any theory applicable to the case at bar. In order to make our meaning very clear in

support of our last statement, we here set forth a very simple illustration of what we believe to be the working of the doctrine of *res judicata* in any case:

We ask the indulgence of the court in considering this very simple illustration, particularly because we used it before the Circuit Court of Appeals of the Fifth Circuit, and incidentally also the Ninth Circuit, and neither opposing counsel nor either of the courts gave it any consideration; on the contrary, totally ignored it—which confirms our strong conviction that it was disregarded because it could not be logically answered otherwise than in accordance with our contention: A is the owner of a lot of land. B, without the license and consent of A, and against A's protest, enters upon the lot and destroys part of the lawn. A sues B for trespass. In his complaint he, of course, alleges that he is the owner of the lot, and let us say that in answer to such allegation defendant states that he is without knowledge, and therefore leaves plaintiff A to strict proof. The case comes on for trial, and A overlooks entirely his proof of allegation of title but thoroughly proves the act of B in destroying the lawn. The judgment of the court is in favor of B because of failure of A to prove title, and the judgment is allowed to become final. Later, B again enters upon the same land and destroys more of the lawn against the protest of A. Again A sues. Now, no one has ever questioned A's title to the land; his title is, in fact, impregnable. This time A thoroughly proves title, as well as trespass. Is there anything in the doctrine of *res judicata* which would prevent A in the second suit from complaining of a new trespass and from proving the facts concerning his title? Or is B to have a continued license to go upon the land at will and destroy other parts of the lawn indefinitely?

In the present case, Crowell fails in 2243-B to prove his title to the claims in suit. There is no real question as to trespass (infringement) for the claims, as before stated, read in letter and in spirit on the devices and methods charged to infringe.

Because he failed to prove his title in the first case, is he justly to be precluded from establishing his title as against the same party, Baker Oil Tools, Inc., on a new and additional trespass, or, with greater force, as against any seller or sellers or user or users of the devices charged to infringe who are guilty of trespassing (infringement)? But you say that Crowell's title was at issue in the first suit, 2243-B. So it was in the land illustration.

Remember again that the sole purpose of these certiorari proceedings is to pave the way for Crowell to institute suit or suits in jurisdictions other than the California court jurisdiction—to sue not only Baker Oil Tools, Inc., in such other jurisdictions for the acts of making, but also, if he elects, to sue any user or users, seller or sellers using or selling infringing equipment made by Baker Oil Tools, Inc., whether made in the Texas jurisdiction or any other jurisdiction—except California.

We remind the court of the very elementary law that making constitutes an infringement, selling constitutes a separate infringement, and using constitutes still another infringement.

In Walker on Patents (Deller's Edition), page 1680, §450, it is said:

> "The grant of a patent confers upon the patentee 'the exclusive right to make, use, and vend the invention or discovery throughout the United States, and the Territories thereof,' for the term of seventeen years. [Rev. Stat., §4884, U. S. Code, Title 35,

§40.] Such exclusive franchise secured by the patentee consists only in *the right to exclude* others from making, using, or vending the patented invention, without the permission of the patentee."

After citing many authorities (not necessary to repeat —the matter is very elementary) under the same section, page 1681, Walker says:

"An infringement is the unauthorized making or using or selling of the patented invention. [Christensen v. Nat. Brake & Elect. Co., 18 F. (2d) 981; George Close Co. v. Ideal Wrapping Machine Co., 29 F. (2d) 533, 535, C. C. A. 1 (1928).]"

The Effect of Establishing the Rule Contended on Behalf of Respondent.

As we have seen, and as the court well knows, in our quotation *supra* from the textbook entitled "Jurisdiction of the Supreme Court of the United States" by Robertson and Kirkham, at page 664, §324 of said textbook, ordinary patent cases are not taken by this court on certiorari save in most exceptional circumstances "in the absence of conflict of decisions between different Circuit Courts of Appeals as to the validity of particular claims or as to infringement by the same or a substantially indistinguishable device." Of course it is quite obvious that if the court, without any conflict between circuits, took every decision of the Circuit Court of Appeals in a patent suit on certiorari, this would amount virtually to an appeal in every patent case from every Circuit Court of Appeals.

Robertson and Kirkham, as we have seen, at §112 have stated that "By far the greatest number of cases considered by the Supreme Court are those coming by certiorari to the Court of Appeals." If this court is not taking

ordinary patent suits but only conflicts between different circuits, it would relinquish practically all right, except in most exceptional cases, of review of patent cases by certiorari—a practice which we have heretofore urged has been consistently followed by the Supreme Court since 1891.

There Is No Possible Basis for the Summary Judgment and Its Affirmance Dismissing on the Ground of Res Judicata as to Claims *Never* in Issue in Any Preceding Litigation, and Refused in Such Preceding Litigation to Be Passed Upon Because Not in Issue.

At the end of the opinion of the Circuit Court of Appeals for the Ninth Circuit, reported at 153 F. (2d) 972, the court says:

> "The appellee [Baker, respondent here] claims that the trial court should have decreed the appellant's patents in suit to be wholly void, but in the absence of a cross-appeal that matter cannot be considered."

Thus it is clear that the California courts found *only the claims in issue in said courts, invalid,* and refused to declare invalid other claims which were before the Texas Court, but were not before the California courts. But exactly what claims are in issue here which were not in issue in the California litigation?

In paragraph IV [Tr. 4], V [Tr. 5] and VI [Tr. 5] of the complaint in this Texas case, the patents here in suit are identified as follows:

(1) Gilstrap *et al.*, No. 2,168,735, granted August 8, 1939;

(2) Crowell No. 2,177-172, granted October 24, 1939;

(3) Crowell No. 2,223,442, granted December 3, 1940.

In paragraph VIII of the complaint [Tr. 6] plaintiff (petitioner here) charges as infringement of the Gilstrap patent above identified all twenty-three claims of said patent except claims 5 and 16 by making, selling and using Baker Multiplex Cementing Equipment.

In the same paragraph VIII of the complaint [Tr. 6] plaintiff charges as infringement of Crowell patent 2,177,-172 the making, using and selling of the equipment of apparatus called by defendant Baker Cement Retainer Models F and K in infringement of claims 9, 10, 11, 12 and 13, and (end of paragraph VIII of the complaint) the using and making and selling for use its Multiplex Cementing Equipment as infringement of claims 6 and 7.

In the same paragraph VIII of the complaint [Tr. 6] plaintiff charges as infringement of Crowell patent 2,223,442 claims 2, 3, 6 and 7 the using and selling to others for use of said Baker Cement Retainers Models F and K.

From the opinion of the Ninth Circuit (153 F. (2d) 972) (two-thirds down first column, page 976) it is clear that Gilstrap claims 1 through 15 and 17 through 23 were involved, claim 16 being the only one not passed upon in the California litigation. In the action at bar claim 2 is omitted from our charge of infringement.

Of Crowell patent 2,177,172, claims 9 through 16 and 19 and 20 were involved in the California litigation (two-thirds down second column, page 981). Of Crowell patent 2,223,442, claims 13 and 14 were involved (two-thirds down second column, page 981) as shown by the court's opinion.

For the convenience of the court, let us summarize the statements just above set forth:

(1) Of the Gilstrap patent all the claims in issue before the California courts except claim 2 are charged as infringed in the Texas suit by appellee defendant; *but always remember by other and different acts of infringement than* those passed upon by the California courts.

(2) As to Crowell patent 2,177,172, the situation is as follows: Claims 9 through 16 and 19 and 20 were declared invalid in the California litigation. In the Texas suit, claims 9 through 13 are charged as infringed, omitting claims 14, 15 and 16 in issue in the California litigation, the charge of infringement being of Models F and K Cement Retainers. But note further that plaintiff charges infringement of claims 6 and 7 of said Patent 2,177,172 by defendant's Multiplex Cementing Equipment. Claims 6 and 7 were not involved in the California litigation, and their validity was not passed upon.

(3) As to Crowell patent 2,223,442: Claims 2, 3, 6 and 7 are charged in the complaint in the Texas suit (paragraph VIII) to have been infringed by Models F and K Cement Retainers. None of these claims were passed upon in the California litigation.

We remind again that there is no showing in the Texas suit that because the *names* of the devices and methods charged to infringe are the same, that the devices called by such names are the same as before the court in the California litigation. The court should not, therefore, assume any such fact. There is an obvious fallacy in assuming that objects called by the same names are necessarily of the same character.

Near the bottom of page 2 of the court's opinion (153 F. (2d) 972) (near top of second column, page 974) the

court says that there were thirty-four claims of all three patents in suit charged to be infringed.

In the next to last paragraph of the opinion, page 982, the court says:

> "The finding of the trial court that the patent claims of the patents in suit were not infringed we find it unnecessary to disturb, because we sustain the findings and conclusion of invalidity; which means that there are no patents to infringe in the manner complained of. *We, of course, refer only to the claims in dispute.*" (Our italics.)

In the opinion of the Ninth Circuit, beginning last line page 974, it is said:

> "The trial court decided all the issues in favor of the appellee, declaring the appellant's said patents void as to all claims therein, *except* claim 16 of Gilstrap patent and claims 1 to 8 and 17 of No. 2,177,172 and claims 1 to 12, inclusive, of No. 2,223,442; and enjoined the appellant from asserting its claims against the appellee's customers. The appellant appeals from the decree."

How can the doctrine of *res judicata* be applied to the subject-matter and infringements which the alleged prior adjudication did not pass upon, because not in issue? Counsel begs the question when he simply refers to the *names* which he calls his devices charged to infringe. Further consideration and review of the case should convince beyond any question that the claims are largely different and the infringements are different. But we have heretofore had much to say in the argument as to our right to *re-litigate even the same claims and the same infringements.*

The Cases Cited or Referred to in the Opinion of the Circuit Court of Appeals for the Ninth Circuit Do Not Sustain Affirmance of the Order of April 25, 1947 [Tr. 62] of the District Court of California.

All the cases cited by the Circuit Court of Appeals for the Ninth Circuit in its opinion [Tr. 86] have the following in common, which distinguishes each of them vitally from the case at bar:

In each there was a ***multiplicity of suits on the merits*** in different jurisdictions. In all there are repeated direct findings and judgments of ***non-infringement.*** In all there were notices, threats of suits greatly harassing the successful non-infringing defendant and its customers and dealers. In all, each of the parties, plaintiff and defendant, were actively engaged in manufacturing and/or selling, being competitors with each other so that threats and suits would temporarily, at least, inure to the benefit of the party initiating them.

In the case at bar there was only ONE SUIT ON THE MERITS, and its affirmance by the Ninth Circuit; and in such Ninth Circuit only *validity* was passed upon, *not infringement.* Thus in its decision, 68 U. S. P. Q. 385, and 153 F. (2d) 972, the court, in the next to the last paragraph of its decision, says:

> "* * * we sustain the findings and conclusion of invalidity; which means that there are no patents to infringe in the manner complained of. We, of course, refer only to the claims in dispute."

We hereafter, in considering each of the cases cited by the Ninth Circuit, quote and comment upon the facts set forth in the unrefuted affidavit of Crowell [Tr. 52],

and need not repeat here except to say that it appears from such affidavit that Crowell at no time since before the first suit (as to which first suit only to give statutory notice authorized and required by law) ever at any time threatened any of the customers of Baker Oil Tools, Inc., nor did he ever give any notice verbally or otherwise of any such charge or otherwise, nor does he intend so to do until after final decision of the United States Supreme Court if in his favor.

He also swears that he is completely out of business so far as making, selling or using any of the devices or methods charged to be infringed, while Baker Oil Tools, Inc., has a monopoly of the apparatus charged to infringe his patents in suit. He states that it would be of no advantage whatsoever for him to threaten any user or customer of Baker Oil Tools, Inc., with infringement litigation or to institute any such proceedings involving the patent in issue until this court has decided on this proceeding that it is right so to do.

None of these facts and others set forth in said affidavit of Crowell square with the vital grounds of decision in any of the cases cited by the Ninth Circuit in support of its decision appealed from.

We now specifically consider each of said cited cases:

The first case cited in the opinion of the Circuit Court of Appeals for the Ninth Circuit is *Kessler v. Eldred,* 206 U. S. 285. In this case it is clear that Eldred, owner of the Chambers patent on cigar lighters, being in the business of manufacturing and selling cigar lighters, and having built up an extensive business therein, instituted a series of suits against Kessler, the only purpose of which was to handicap Kessler as much as possible, and during as long a period as possible.

In the first of these suits non-infringement was directly found in favor of Kessler, and such decision was affirmed by the Circuit Court of Appeals for the Seventh Circuit. Subsequently, Eldred instituted a second suit on the same patent, this time in the Northern District of New York, but against Kirkland, who was selling a similar lighter, but not of Kessler's make. Again the District Court found non-infringement. The Circuit Court of Appeals for the Second Circuit reviewed the District Court's decree and found the Kirkland lighter to be an infringement.

Later Eldred filed suit for infringement against Breitweiser, a user of Kessler's lighters, which were identical with those in *Eldred v. Kessler* said to be no infringement. The following is of great importance: The court, middle of page 286, official edition of 206 U. S., said:

> "Many of Kessler's customers were intimidated by the Breitwieser suit, so that they ceased to send in further orders for lighters and refused to pay their accounts for lighters already sold and delivered to them. Kessler assumed the defense of the Breitwieser suit, and will be compelled in the proper discharge of his duty to his customers to assume the burden and expense of all suits which may be brought by Eldred against other customers."

Then Kessler filed suit against Eldred in the Circuit Court for the Northern District of Illinois to enjoin Eldred from prosecuting any suit in any court of the United States against anyone for alleged infringement of the patent there in suit by purchase, use or sale of any cigar lighters manufactured by Kessler and in evidence before the Circuit Court of the District of Indiana and the Circuit Court of Appeals for the Seventh Circuit in

the trial and adjudication of the suit of *Eldred v. Kessler*. From an adverse decree of the Circuit Court, Kessler perfected an appeal to the Supreme Court. At the bottom of page 289 (206 U. S.), the Court refers to the great multiplicity of suits and the fact that this alone would diminish Kessler's sales, saying that this would greatly damage Kessler and it would be difficult to prove in any action at law the extent of the damage inflicted, and such suit would accordingly be entirely inadequate.

Now, there is nothing in the present case remotely similar to the situation in the *Kessler-Eldred* case. Crowell only gave the required statutory notice to a single user before the commencement of action 2243-B, and has never at any time, as the record shows, given notice to nor threatened any other seller or user of the devices charged to infringe.

At Tr. 52 in an affidavit of petitioner herein, Erd V. Crowell, affiant, states:

> "Affiant further states: I have, at no time, ever threatened any of the customers of defendant Baker Oil Tools, Inc., plaintiff in the case at bar, with infringement suits for making, using or selling any of the subject-matter charged as infringements in said Texas suit, No. 394, nor have I ever given any of said trade or customers any notice, verbally or otherwise, of any such charge of infringement, nor do I intend so to do until after final decision, if in my favor, of the United States Supreme Court.
>
> It is true that there is attached to the complaint in Civil Action No. 2243-B in this court a notice and threat of suit against the Long Beach Oil Well and Development Company of Long Beach, one of the associates of Baker Oil Tools, Inc., which notice was sent in 1942 and was necessary under the statute to

put the infringer upon notice. Such notice, however, only referred to infringement by the apparatus known as Baker Series Cementing Equipment, and did not mention either the Multiplex Cementing Equipment or the Baker Cement Retainers, which are the only subject-matter contended in said Texas suit to infringe. The other two letters attached to said complaint in Civil Action No. 2243-B were directly to plaintiff in the case at bar, Baker Oil Tools, Inc. Moreover, the infringements charged in said Texas suit are not the same acts of infringement as those passed upon in the California litigation above referred to.

I am completely out of business so far as the making, selling or using any of the devices or using any of the methods charged to be infringed in said Texas suit, while said Baker Oil Tools, Inc., has a monopoly of the apparatus and methods charged to infringe my said patents. I have not the financial means to commence suits against various makers, sellers or users of the Baker device. I have all I can attend to in financing and preparing for trial of said Texas suit, and it would be no advantage whatsoever for me to threaten any user or any customer of Baker Oil Tools, Inc., with infringement litigation or to institute any such proceedings involving the patents in issue in the Texas suit.

If and when the matter is finally settled by final proceedings in the Texas suit and its appeal, if in my favor, of course I should be entitled to warn and prosecute any one who either makes, sells or uses infringing devices or uses infringing methods. Until that time I certainly will not molest any of the customers of Baker Oil Tools, Inc., by any notices or threats of suits, verbally or otherwise—and, as hereinbefore explained, have never done so."

None of the allegations of such affidavit have been attempted to be refuted. Kessler, on the contrary, was actively in business. Eldred also was in the same business. Here Crowell is completely out of business. The actions of Eldred were certainly wrong and greatly injurious to Kessler. Crowell has not been guilty of any such conduct; and it should not be presumed that he will attempt any such tactics. All he wants is the right to sue those guilty of infringement other than the Baker Oil Tools, Inc., as well as the Baker Oil Tools, Inc., in one jurisdiction, to be selected by him, and not necessarily the Texas courts—as he does not know now definitely whether or not he can prove infringement in Texas—in an endeavor to secure a different decision to be promptly taken to this Court on certiorari—as has always been held permissible by this Court.

The next case cited in the opinion of the Circuit Court of Appeals for the Ninth Circuit to sustain its conclusion is *Marshall v. Bryant Electric Company* (First Circuit), 185 Fed. 499. In this case there was first a suit by *Marshall v. Pettingwell Andrews Company* in 1905. This suit was dismissed by the District Court, and such dismissal was affirmed by the Circuit Court of Appeals for the Eighth Circuit.

The next suit was *Marshall v. Western Electric Company*. The Court, at the top of page 500 (185 Fed.), says, "The Bryant Electric Company makes the linings in question and sells them to the Western Electric Company which deals in them."

The next proceeding was a suit to restrain Marshall from proceeding with the last-mentioned suit against the Western Electric Company. We call the court's attention to the fact that the Circuit Court of Appeals

overlooked entirely the fact that the act of making constitutes one infringement; the act of selling constitutes another and separate infringement; and the act of using constitutes still another and different infringement.

Note also that beginning at the bottom of page 500 (185 Fed.) the Court is far removed from law in stating:

> "It is true that both the courts which passed upon the issues raised in the former suit expressly limited their investigation to the two claims upon which the then complainant elected to stand, and that they expressly abstained from giving any opinion regarding the other seven claims of his patent. But this was the result of the patentee's own choice. It was not the result, so far as appears, of any request or consent on the part of his adversary or of any ruling by the court. He had by his bill invoked the decision of the court upon the validity and scope of his entire patent in its application to the alleged infringing articles, and had found himself opposed by the alleged infringer upon all the points involved in the controversy he thus opened, and he cannot say that he has not had his day in court upon all the questions thus raised. The pleadings had put in issue (1) the validity of his entire patent, or at least its validity if so construed as to make the insulating linings complained of infringements of it; (2) whether such insulating linings did in fact infringe the patent or any of its claims. By the course he thereafter adopted in the litigation upon these issues, we think he voluntarily took the risk of losing by the final decree all right to assert that his patent has any validity for the purpose of giving him the exclusive right to make, sell, or use such linings as we now have before us, or to assert that they infringe his patent or any of its claims, so far as the Pettingell-Andrews Company or any one else in legal effect a party defendant in

> the same suit is concerned. If any claims of his patent were not expressly dealt with by the court, it was not because they were not before the court for its decision, but because he voluntarily abandoned the attempt to make good his contention regarding them. So far as they are concerned, he must now abide the final result."

Many of the ideas expressed in the immediately foregoing quotation are plainly *fantastic*. It is elementary that each claim is a patent in itself; and of a plurality of claims, some may be found invalid or not infringed, others may be found valid and infringed. Certainly the patentee has a right to sue on any of the claims in any particular suit which he desires to charge as infringed. Possibly during the first litigation the defendant did not infringe some of the claims, and afterward decided to extend their activities and infringe other claims.

Remember again that each of the acts of making, selling or using are, under elementary law, distinct and separate infringements. Note also that at the end of the opinion of the Court in the case under consideration, *Eldred v. Kessler* is cited, which we have heretofore fully discussed and shown that it does not apply to the circumstances of this case.

There was no certiorari applied for to this Court in the case under discussion, and this Court therefore had no opportunity to pass upon the questions which we earnestly rely upon in our petition.

The next case cited in the Court's opinion [Tr. 86] was *Directoplate Corporation v. Huebner-Bleistein Patents Co.* (Seventh Circuit), 44 F. (2d) 783. This case was decided by the Circuit Court of Appeals for the Seventh

Circuit. In the second column of page 783 (44 F. (2d)), the Court says:

> "1. May plaintiff maintain suit against defendant's customers and recover for infringement because of the use of the same devices: Both parties rely upon Birdsell v. Shaliol, 112 U. S. 485, 5 Sup. Ct. 244, 28 L. Ed. 768. It is contended by defendant that that case is authority for its proposition that its customer cannot be sued and required to account for damages and profits arising from the use of devices manufactured and sold by defendant and for which it has been held to account. We are of opinion that that case does not support defendant's contention, but that it is authority for the proposition that in such cases suits may be maintained against users."

The foregoing quotation squarely supports our contention. Remember we are restrained in the injunction as revised from suing any user. This decision is clearly to the effect that such injunction is erroneous.

We also call the Court's attention to the paragraph [2] of said decision, page 783, which reads:

> "2. It is conceded by plaintiff that, if the device in the Ohio suit is the 'Simplex' device held by the District Court not to infringe claim 12 of patent No. 1,291,897, injunction will lie; but it is contended that the device in the Ohio suit is not the same. In paragraph 9 of the Hennegan complaint it is alleged that, after the courts had held, in the suit between the parties hereto, that a device referred to as the first Directoplate device infringed plaintiff's patent No. 1,291,897, plaintiff, by its supplemental bill, charged that defendant manufactured and sold a device of equivalent mechanical construction known as the 'Simplex' device and that said 'Simplex' device was held

not to be an infringement of said patent. In paragraph 10, it is averred that Hennegan infringed said patent by making, using, and selling said first Directoplate device and said 'Simplex' device. Those allegations bring into the action the first Directoplate device, that was held to infringe, and said 'Simplex' device that was held not to infringe. It is not charged that those devices, used together, infringed. Clearly 'said "Simplex" device,' in paragraph 10, is the '"Simplex" device' in paragraph 9 and of the suit under the supplemental bill. The affidavits that adjunctive devices had been furnished and used with the 'said "Simplex" device' would not enlarge the scope of the pleading. The 'Simplex' device, plus the adjunctive elements, might make an infringing device, but that is not charged in the complaint."

We remind that in the case at bar, infringement was not found. The Circuit Court of Appeals for the Ninth Circuit decided that, inasmuch as the patents are held invalid, there was nothing to infringe.

In the *Directoplate* decision under consideration, there was an *express* finding of non-infringement. The Court, however, held the "Simplex" device, plus the adjunctive elements, might make an infringing device, but that was not charged in the complaint.

The next case cited in the Circuit Court of Appeals' opinion [Tr. 86] is *Alcograph Company v. Electrical Research Products* (Fifth Circuit), 82 F. (2d) 625. In this case infringement was positively and directly found — which is not the case in the action at bar. From the third paragraph of the syllabus of the *Aleograph* case, we see that there were two adjudications of non-infringement.

All we desire in this case is recognition and adjudication of petitioner's right to sue in a circuit other than the

Ninth Circuit for the purpose of correcting manifest errors in another circuit, namely the Ninth Circuit decision. *We must have a choice of circuits, because we do not know now whether infringement can be proven in the Texas suit which is before this Court on certiorari.*

Apparently in the *Aleograph* case under consideration other suits in addition to the two prior adjudications were instituted. These circumstances do not apply to the case at bar. The validity of the patent in suit in the case under consideration was not passed upon.

Thus at the middle of the second column, page 625, 82 F. (2d), the Court said: "The judgment was based on failure of defendant to prove infringement of any of the claims and validity of the patent was not passed upon."

In the *Aleograph* case there was first a case in which infringement was not found of the claims charged as infringed. However, in the middle of the second column, page 625, the Court states that Electrical Research Products Inc. is a subsidiary of Western Electric Company. After the first decision above referred to, Aleograph Company brought suit against Western Electric Company in which some of the same claims, but not all of them, as in the first suit and other claims not in issue in the first suit, were charged infringed. The decision of the District Court was non-infringement, so that there were two decisions of non-infringement.

There is no finding of non-infringement in the case at bar, as we have heretofore pointed out by reference to the decision of the Circuit Court of Appeals for the Ninth Circuit.

Then there was a third suit by Research Products in the Western District of Texas, asking an injunction to

prevent further prosecution of suits against the Western Electric Company. There was also an admission in the answer of Aleograph that it intended to bring other suits against other persons and users. Near the bottom of the first column, page 626, 82 F. (2d), the Court remarks:

> "It is apparent that the decree does not prevent appellant from filing suits against any one except the Electrical Research Products, Inc., Western Electric Company, Inc., and those in privity with them, only in respect of the alleged infringing devices considered in the suits above mentioned."

The Court relies heavily on *Kessler v. Eldred* heretofore fully considered. Here was a great multiplicity of suits started and threatened which seemed to indicate unending litigation. These circumstances do not at all square with the circumstances of the case at bar.

The next case cited in the Ninth Circuit opinion [Tr. 86] is *General Chemical Company v. Standard Wholesale Phosphate and Acid Works,* 101 F. (2d) 178 (Fourth Circuit). From the first paragraph of the opinion (p. 179) it appears that this was the second appeal in a suit brought by the same plaintiff, General Electric Company. There had thus been two decisions by the District Court and two decisions by the Circuit Court of Appeals, all to the same effect that the patent in suit had not been infringed.

There was a third suit against the Selden Company decided by the Third Circuit Court of Appeals, and in such suit, except as to one claim which the Court in the first paragraph of its opinion in the case says was dropped, the claims in suit were held valid but not infringed.

There was thereafter a multicplicity of suits, decisions in all of which concurred in finding non-infringement In the case at bar, as we have repeatedly pointed out, the Circuit Court of Appeals for the Ninth Circuit refused to pass upon the question of infringement on the ground that not being valid the claims could not be infringed. Thus, while in the case at bar we have had only one decision on the merits, only the question of validity was passed upon.

The next case cited in the opinion of the Ninth Circuit [Tr. 86] is *United States Galvanizing and Plating Equipment Company v. Hansen-Vanwinkle-Munning,* 104 F. (2d) 856. This was a Fourth Circuit appeal (near top of page 857) in a suit by Hansen-Vanwinkle-Munning Company against Galvanizing and Plating Equipment Company. All claims in suit (second paragraph, first column, page 858) had been previously held not infringed and invalid. It is important to note that throughout this case under consideration there were found to be harassing notices to customers threatening suit. Such is not true in the case at bar as, after the usual statutory notice to lay the basis for suit, which notice was to Baker Oil Tools Company and only one of its users, Crowell has refrained from any further notice, written or verbal, to any of the dealers or users of the apparatus and process charged to be infringed. Again there has only been one suit decided on the merits, and that by the Ninth Circuit.

The affidavit of Crowell [Tr. 52] makes it very clear that Crowell refrained from all notices or threats of any kind. In the case under present consideration there had

been direct findings many times that there was no infringement; in the case at bar there was no finding of non-infringement as the Ninth Circuit said that, being invalid, there were no claims to be infringed.

The last case cited in the opinion of the Ninth Circuit [Tr. 86] is *Fretwell v. Gillette Safety Razor Company* (Fourth Circuit), 106 F. (2d) 728. This was a suit (first paragraph of the Court's opinion) by a manufacturer of safety razor blades to enjoin defendant, a patentee, from prosecuting a suit against a drug company selling the blades—which was decided in favor of defendant.

There was first a suit by patentee Fretwell against Gillette Safety Razor Co. in the District Court of Delaware in which it was held that there was no infringement as charged. Next there was a suit in the Western District of Virginia against a drug store (second paragraph, column 2, page 789) to enjoin the sale of plaintiff's blades. Note that the Court in the case under consideration relies heavily (paragraph [1] bottom of second column, page 729) on *Kessler v. Eldred,* which we have thoroughly considered *supra.* Here again in the case under consideration there was a direct finding of non-infringement. Such circumstances do not square with the case at bar, as there has been no finding of non-infringement by the Ninth Circuit which refused to pass upon such question on the ground that, being invalid, there were no claims to be infringed.

Conclusion.

That—

(1) A consistent practice of this court since 1891 authorizes patent suits in more than one circuit, and in cases of conflict between circuits on questions of validity and infringement on the same claims of letters patent, the propriety of review and settlement of such conflicts by this court seems beyond question.

(2) Nothing is more obvious than that no defense of *res judicata* is applicable to matters not decided in any previous litigation, and expressly refused to be passed upon in such prior litigation, because not there in issue.

(3) If certiorari is not proper in ordinary patent suits to review judgments of a Circuit Court of Appeals therein, unless this court should take conflicts between circuits as to validity and infringement of letters patent, the practice of this court for the last fifty-six years would be departed from, and there would rarely be an occasion for any exercise of this courts' power on certiorari in any patent case.

(4) Under the facts and circumstances of this case, it is clear that there is no room for the operation of any rule of *res judicata.*

(5) None of the decisions cited by the Circuit Court of Appeals for the Ninth Circuit to sustain its decision are pertinent to the facts and circumstances of the case at bar. In each there was a *multiplicity* of suits after repeated adjudications of non-infringement. In each there were

harassing threats, notices and suits, the only purpose of which was to give the patent-holding plaintiff a temporary advantage over the actively competing defendant to the great detriment of the latter, and against which he had no recourse except in special cases by injunction.

In the case at bar there was ONLY ONE ADJUDICATION ON THE MERITS and that as to validity alone.

Respectfully submitted,

EMORY L. GROFF,
Attorney for Petitioner Crowell.